Newgate Resources Ltd.

1993 Annual Report

Notice of Annual General Meeting

Newgate Resources Ltd. will hold itś Annual General Meeting of the shareholders at 10:00 am on Wednesday, May 25, 1994 in the Belaire Room of the Westin Hotel, Calgary, Alberta. We encourage all shareholders to attend.

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Cover Photo: Ribstone Lake
Inset Photo: Wainwright 10-18 gas well

Corporate Profile

Newgate Resources Ltd. is an emerging public company engaged in the acquisition, exploration, and subsequent exploitation and production of petroleum and natural gas, primarily in the province of Alberta. Newgate Resources Ltd. shares trade on The Alberta Stock Exchange under the symbol NGT.

Newgate's operating focus consists of pursuing relatively low risk development and exploration drilling opportunities, augmented by strategic acquisitions, which can provide early cash flow to the company. Application of this strategy complemented by a \$1.2 million flow-through share issue in July allowed Newgate to substantially increase its financial, asset and production base through a successful development drilling program. Recent exploration personnel additions ensure that Newgate's future focus will include adopting a deliberate exploration philosophy to accelerate asset and cash flow growth, ultimately enhancing shareholder value.

Highlights

Financial
(in thousands of dollars except where noted)

Oil and gas sales (net of royalties)	
Cash flow from operations	
Net income	
Working capital	
Long term debt	
Shareholder's equity	
Capital expenditures	
General & administrative expense	
Common shares issued and outstanding (millions)	
Basic	
Fully diluted	

Operating

Wells drilled	
Gross	
Net	
Daily production	
Crude oil and NGL's (BOPD)	
Natural gas (mcf/d)	
Barrels of oil equivalent (BOE/d)	
Reserves, proved and probable	
Crude oil and NGL's (MBbls)	
Natural Gas (Mmcf)	
Barrels of oil equivalent (MBOE)	

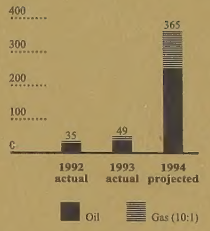
*Includes extraordinary item - gain on sale of Nissho Iwai Property

Corporate Profile

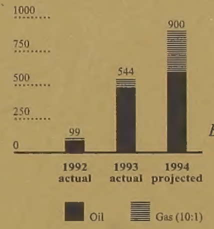
Highlights

	1993	1992	% change
Financial			
(in thousands of dollars except where noted)			
Oil and gas sales (net of royalties)	**235**	118	99
Cash flow from operations	**304***	54	463
Net income	**(22)**	(24)	(8)
Working capital	**(658)**	(23)	2,761
Long term debt	**–**	175	(100)
Shareholder's equity	**1,150**	405	184
Capital expenditures	**2,164**	261	729
General & administrative expense	**141**	33	327
Common shares issued and outstanding (millions)			
Basic	**23.0**	15.6	47
Fully diluted	**25.0**	15.6	60
Operating			
Wells drilled			
Gross	**11**	–	
Net	**9.25**	–	
Daily production			
Crude oil and NGL's (BOPD)	**40**	30	33
Natural gas (mcf/d)	**90**	50	80
Barrels of oil equivalent (BOE/d)	**49**	35	40
Reserves, proved and probable			
Crude oil and NGL's (MBbls)	**480**	90	434
Natural Gas (Mmcf)	**640**	90	611
Barrels of oil equivalent (MBOE)	**544**	99	450

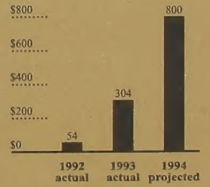
*Includes extraordinary item - gain on sale of Nissho Iwai Property



Production (BOE/d)



Proven & Probable BOE Reserves (thousands)



Cash Flow (thousands)

I am pleased to report that Newgate experienced healthy growth during its first full year of operations. Following the amalgamation of its predecessor companies in 1992, Newgate made the difficult transition from what was essentially a junior capital pool company with minimal assets, to a viable junior oil and gas company with technical expertise and substantial assets and cash flow.

The highlight of 1993 was Newgate's farm-in development drilling project at Wainwright, Alberta, financed by a $1.2 million flow-through share issue completed in July. Drilling commenced in September and by November, nine Sparky oil wells had been placed on production at 170 BOPD net to Newgate. Based on independent engineering analysis, there are 4.7 million barrels of oil in place with proved recoverable oil reserves of 415,000 Bbls net to Newgate. This corresponds to a 15% recovery efficiency which Newgate's management considers conservative. During November, Newgate also drilled an option well to the Colony formation which production tested gas at a cumulative flow rate of 4.2 Mmcf/d from two zones. Independent engineering analysis estimates proven non-producing reserves of 0.64 Bcf net to Newgate. The gas will be tied into Newgate's 100% owned facility and pipeline by mid-April 1994.

Wainwright oil and gas project expenditures of $2.2 million, comprised of flow-through funds and bank debt, resulted in proved and probable reserve additions of 479,000 BOE. This equates to a replacement cost of $4.59/BOE. Recent weak oil prices diminish the full impact of the oil production but this will be offset by the gas production and strong gas prices. Newgate estimates incremental annual cash flow from Wainwright operations will be $840,000.

The window of opportunity for purchase of reasonably priced producing reserves clearly tightened during 1993. Newgate took advantage of this buoyant market by profitably disposing of the Nissho Iwai properties which were acquired late in 1992. Oil acquisition opportunities should increase as vendor expectations diminish in response to soft crude prices, while the premium accorded gas reserves, given the current bullish view on supply and price, will continue to make gas acquisitions prohibitively expensive.

Newgate primarily accomplished its growth to date via the drill bit and management believes that this is representative of how Newgate will grow in the future. In October, Newgate hired two experienced professional exploration personnel to ensure that future growth will occur from technically sound, internally generated drilling opportunities. Mr. John Ostrom, P.Geol. and Mr. Kent Donaldson, P.Geoph. joined Newgate as Vice Presidents of Exploration and Exploitation, respectively. Shareholders can expect Newgate to pursue a focused exploration strategy augmented by strategic acquisitions in 1994 and beyond.

The challenge for Newgate's revitalized management team will be to add reserves in a cost-effective manner despite a recent resurgence in industry activity that has increased competition and costs for acreage, seismic and drilling. Anticipated strength in natural gas markets and weakness in oil markets logically forces Newgate to increase its leverage to natural gas through exploration efforts while pursuing medium to light oil reserve additions principally through development and acquisition activities. We are assessing the availability of capital and merger candidates on a continual basis to ensure that Newgate maintains momentum.

Robert J. Sumner
President & Director

ACQUISITIONS AND DIVESTITURES

Newgate seeks to purchase high-working interest, long-life reserves with additional cash flow potential following production and development enhancement. Newgate prefers acquisitions located in areas identified as having exploration potential. The company targets a reserve cost of $4.00/BOE and an annualized cash flow multiple of four times or less in its hunt for suitable properties. These acquisition criteria are rigorous but management believes that disciplined adherence to these principles will ensure profitability in the longer term. A consequence of exercising this philosophy is that Newgate was unsuccessful at capturing appropriate acquisition candidates in the progressively feverish seller's market that characterized 1993.

Newgate was actually a seller of certain assets whenever a premium was achievable. In September, Newgate profitably disposed of properties acquired October 1, 1992, from the Nissho Iwai Corporation. The divestment resulted in the receipt during the fourth quarter of $545,000 in sale proceeds for a profit of approximately $304,000 over the purchase price. During Newgate's 11-month ownership, the company received approximately $117,000 in production revenue from the properties involved. In addition, instead of cash, Newgate accepted common stock as compensation and subsequently realized a gain of $68,000 during November through the forward (short) sale of these holdings.

EXPLORATION

Exploration is a fundamental building block of all successful oil and gas companies. Those organizations that are able to internally generate and drill high quality drilling opportunities, resulting in low cost reserve additions, ultimately prosper. In that vein, management made a fundamental, strategic decision to establish an exploration presence by hiring two well-qualified exploration personnel with extensive experience in play development in the western Canadian sedimentary basin. The exploration team is making excellent progress generating a drilling prospect inventory. State-of-the-art information and technical tools are at the team's disposal to facilitate timely decision making and to ensure that a continuous inventory of drilling opportunities exists. The company plans to aggressively pursue those opportunities where an immediately drillable cash flow situation exists, either by farm-in or by the purchase of acreage. Newgate's present exploration strategy is to:

- Internally generate prospects.
- Pursue low cost multi-zone prospects at shallow to medium depth.
- Concentrate efforts in proven, geologically productive focus areas.
- Ensure that timely market access for discoveries exists.
- Build working interests to 50 to 75 percent.
- Target a 70 percent gas, 30 percent oil weighting.
- Build a geologically diverse production profile.
- Establish strategic joint ventures.
- Apply proven cost reduction tactics.
- Minimize risk using technology.

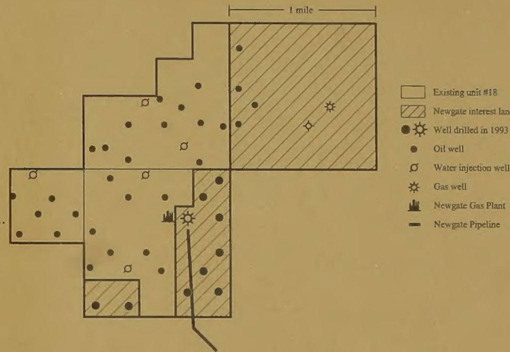
EXPLORATION

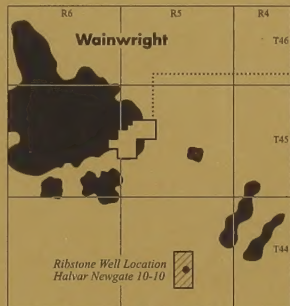
Ribstone

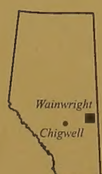
Newgate participated in its first exploration well during mid-December at Ribstone Lake, just south of the company's Wainwright field operations. Newgate's present working interest is 25 percent. Early indications are that Newgate and its partners have made a multi-zone oil and gas discovery. Full scale development in which Newgate will act as operator will ensue pending further evaluation. Additional seismic coverage is planned to assist in drilling step-out and development wells.

DEVELOPMENT

Newgate's development strategy is cash flow motivated in that every attempt is made to bring discoveries on production as quickly as possible to generate cash flow for reinvestment. Where justified, the company will operate to control the rate at which development occurs.







Wainwright

Much of Newgate's efforts in 1993 were devoted to executing a farm-in drilling agreement at Wainwright, Alberta which provided Newgate with an opportunity to earn a 90 percent interest before pay out, and 60 percent after pay out, in expiring lands requiring validation. This was a low risk venture with nine oil wells drilled adjacent to existing long life, medium gravity oil production. All nine wells were completed at a combined producing rate of 170 BOPD net to Newgate, equating to incremental cash flow of $240,000 based on $16 per Bbl WTI. Independent engineering analysis estimates proved reserves are 415,000 Bbls, based on prevailing economics. This equates to a 15 percent recovery efficiency which Newgate's management views as conservative. Recovery efficiency in offsetting operations in the Wainwright field are in excess of 30 percent. Additional potential exists to boost reserves and to accelerate recovery by optimizing reservoir management.

Newgate's farm-in agreement also entitled it to drill a tenth well in the program to test for gas in the Colony formation. This well discovered gas in two zones in the Colony which production tested at a cumulative rate of 4.2 Mmcf/d. Proven non-producing reserves of 0.64 Bcf net to Newgate

will be placed on production quickly to recover the company's initial investment. Pending regulatory approval, Newgate anticipates its 100 percent owned pipeline and facility will be completed by mid-April 1994. Newgate expects annual cash flow to increase by $600,000 from the well at a sustainable flow rate of 1.35 Mmcf/d, net to Newgate. There is potential for modest reserve additions at minimal cost from Viking sands in the area.

Chigwell

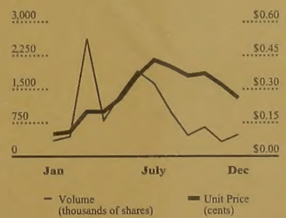
In December, Newgate entered into a farm-in agreement whereby the company earns a 37.5 percent working interest before pay out and a 22.5 percent interest after pay out in a proposed Leduc oil well. This is a lower risk development prospect with excellent 3D seismic coverage. Drilling should commence in May 1994. Newgate estimates gross recoverable reserves of 100,000 to 200,000 Bbls and gross production rates of 100 BOPD of high netback, light gravity oil.

FINANCIAL REVIEW

Newgate's financial strategy is to maximize cash flow. Newgate accomplishes this by exercising diligent cost control while striving to maximize revenues. The company maintains general and administrative expense at low levels with modest salary levels supplemented by performance-based compensation schemes. Two of the company's key personnel currently receive no salary until such time as management deems production levels are sufficient to support additional salary expense. To fully optimize revenues, Newgate intends to reinvest 100 percent of its cash flow and to limit debt to 1.5 times annualized cash flow. Newgate uses cash flow and equity financing to fund exploration activities, while using debt only for facilities and equipping costs. To maximize the impact of drilling projects without imperiling the financial health of the company, Newgate limits net dry hole costs to no more than $150,000 per well.

Newgate's activities during 1993 resulted in an increase in its asset base. On the basis of an independent engineering appraisal as at December 31, 1993, the present value of Newgate's proved and probable reserves at a 15 percent discount rate is $2,880,800. This is a 430 percent increase from the 1992 reserve value of $543,000.

For the period ended December 31, 1993, the company realized a net loss before income taxes of $22,400 and net cash flow of $304,000 which includes the total extraordinary gain on the Nissho Iwai producing property sale. Cash flow was lower than anticipated because Wainwright oil production commenced late in the fourth quarter and coincided with softening oil prices. Other contributing factors include higher general and administrative (G&A) expense and deferral of Wainwright Colony gas tie-in until the second quarter of 1994. Newgate expects annualized cash flow from operations to approximate $1,100,000 assuming an oil price of $16/Bbl WTI and a gas price of $1.90/GJ. G & A expense increased to $141,400 reflecting higher activity, staff additions, office expansion and computer system purchases. In 1994, Newgate expects G & A expense will be $240,000.



1993 Trading

FINANCIAL REVIEW

Capital expenditures for 1993 totaled $2,164,000. Newgate raised $1,190,000 by a flow-through share private placement issue of 7,000,000 shares at $0.17 per share. The company expended approximately 98 percent of subscriber flow-through funds by year-end 1993. Although Newgate completed the year debt-free, obligations relating to Wainwright completion costs will be satisfied in the first quarter of 1994 using Newgate's revolving line of credit with a major Canadian bank. Newgate's expects that its present line-of-credit of $1,150,000 will accommodate this obligation. Newgate is budgeting $2.3 million for 1994 expenditures which will be funded using cash flow, equity financing and debt. Management is currently investigating sources of additional equity financing.

AUDITORS' REPORT

To the Shareholders

Newgate Resources Ltd.

We have audited the balance sheets of Newgate Resources Ltd. as at December 31, 1993 and 1992 and the statements of loss and deficit and cash flow for each of the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1993 and 1992 and the results of its operations and cash flow for each of the years then ended in accordance with generally accepted accounting principles.

Collins Barrow

Calgary, Alberta

Chartered Accountants

March 22, 1994

Balance Sheets

	1993	1992
Assets		
Current assets		
Cash	$ –	$ 17,440
Accounts receivable	201,156	51,443
	201,156	68,883
Property and equipment (note 3)	1,810,186	605,127
	$ 2,011,342	$ 674,010
Liabilities		
Current liabilities		
Bank indebtedness	$ 85,381	$ –
Accounts payable and accrued liabilities	773,372	17,337
Current portion of long–term debt	–	75,000
	858,753	92,337
Long–term debt (note 5)	–	175,000
Provision for future site restoration costs	2,300	1,500
Shareholders' Equity		
Share capital (note 6)	1,197,077	429,480
Deficit	(46,788)	(24,307)
	1,150,289	405,173
	$ 2,011,342	$ 674,010

Approved on behalf of the Board,

...., Director ...., Director

Statements of Loss and Deficit

	1993	1992
Revenue		
Oil and gas sales	$ 257,936	$ 137,016
Less: Royalties	23,369	19,081
	234,567	117,935
Interest	8,302	–
Alberta royalty tax credit	7,556	8,458
	250,425	126,393
Expenses		
Operating	96,042	38,786
Interest on long-term debt	12,460	–
General and administrative	141,393	33,747
	249,895	72,533
Cash flow generated from operations	530	53,860
Gain on sale of marketable securities (note 8)	(68,050)	–
Amalgamation costs	–	36,417
Depletion and depreciation	91,061	41,750
	23,011	78,167
Net loss	22,481	24,307
Deficit, beginning of year		
As originally reported	24,307	227,629
Eliminated against share capital (note 6)	–	227,629
As restated	24,307	–
Deficit, end of year	$ 46,788	$ 24,307
Net loss per share	$ 0.001	$ 0.002

Statements of Cash Flow

	1993	1992
Operating activities		
Net loss	$ (22,481)	$ (24,307)
Add items not requiring cash		
Depletion and depreciation	91,061	41,750
Gain on sale of marketable securities	(68,050)	–
	530	17,443
Net change in non–cash working capital balances	34,879	(16,719)
Working capital assumed from Zoa Petroleum Ltd.	–	10,174
	35,409	10,898
Financing activities		
Proceeds (repayment) of long–term debt	(250,000)	250,000
Issuance of share capital	1,190,000	3,540
Share issuance costs	(31,119)	-
	908,881	253,540
Investing activities		
Proceeds on disposal of property and equipment	477,375	11,665
Proceeds on sale of marketable securities	545,425	–
Acquisition of property and equipment	(2,163,979)	(261,334)
Acquisition of marketable securities	(477,375)	–
Acquisition of net assets of Zoa Petroleum Ltd.	–	(1,181)
Changes in non–cash working capital	571,443	–
	(1,047,111)	(250,850)
Cash inflow (outflow)	(102,821)	13,588
Cash, beginning of year	17,440	3,852
Cash (bank indebtedness), end of year	$ (85,381)	$ 17,440

1. Company activities

Pursuant to an amalgamation agreement dated April 3, 1992, Tokenhouse Yard Holdings Inc. ("Tokenhouse") and Zoa Petroleum Ltd. ("Zoa") amalgamated to form Newgate Resources Ltd. ("Newgate"). Under the agreement, the shareholders of Tokenhouse received one common share of Newgate for each .78 common share of Tokenhouse, and the shareholders of Zoa received one common share of Newgate for each 1.38 common share of Zoa. The company's activities are the acquisition of petroleum and natural gas rights and interests and the exploration for, and the development and production of, crude oil and natural gas.

2. Significant accounting policies

a) Exploration and development costs

The company follows the full cost method of accounting for exploration and development expenditures, wherein all costs related to the exploration for and the development of oil and gas reserves in Canada are initially capitalized. Costs capitalized include land acquisition costs, geological and geophysical expenditures, rentals on undeveloped properties, costs of drilling productive and non-productive wells, together with overhead and interest directly related to exploration and development activities and lease and well equipment. Gains or losses are not recognized upon disposition of oil and natural gas properties unless such a disposition would significantly alter the rate of depletion and depreciation.

Depletion and depreciation is provided for using the unit-of-production method based on estimated gross proven oil and gas reserves as determined by independent and company engineers with gas converted to oil on an energy equivalent basis.

Costs subject to depletion under the full cost method also include estimated future removal and site restoration costs. This would include the cost of production equipment removal and environmental cleanup based upon regulations and economic circumstances at year-end. The current year's provision for future restoration costs is included in depletion and depreciation expense.

In applying the full cost method, the company performs a ceiling test which restricts the capitalized costs less accumulated depletion and depreciation from exceeding an amount equal to the estimated undiscounted value of future net revenues from proven oil and gas reserves, based on current prices and costs, and after deducting estimated future general and administrative expenses, estimated future removal and site restoration costs, financing costs and income taxes.

b) Joint ventures

Substantially all of the exploration and production activities of the company are conducted jointly with others and, accordingly, the accounts reflect only the company's proportionate interest in such activities.

c) Depreciation

Lease and well equipment are depreciated using the unit-of-production method. Other equipment is depreciated using the declining balance method at rates varying from 20% to 100% per annum.

d) Flow-through shares

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada). The Act provides that, where the share issuance proceeds are used for exploration, development and land expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the company.

Oil and gas properties and share capital are reduced by the estimated cost of the renounced tax deductions when the expenditures are incurred.

e) Net loss per share

Net loss per share is calculated using the weighted average number of common shares outstanding during the year.

3. Property and equipment

	Cost	Accumulated Depletion and Depreciation	Net Book Value 1993	Net Book Value 1992
Petroleum and natural gas properties including exploration and development thereon	$ 1,544,952	$ 219,061	**$ 1,325,891**	$ 543,160
Lease and well equipment	543,206	75,284	**467,922**	60,167
Other equipment	36,330	19,957	**16,373**	1,800
	$ 2,124,488	$ 314,302	**$ 1,810,186**	$ 605,127

Future removal and site restoration costs are estimated in aggregate to be $41,500, of which $800 (1992 – $1,500) has been charged to current earnings.

During 1993 and 1992, no general and administrative expenses were capitalized.

4. Credit facility

On August 23, 1993, the company obtained a credit facility with its bank in the amount of $1,000,000 bearing interest at prime plus 1.25%. The company has provided security for the credit facility by way of a general security agreement, a $2,000,000 fixed and floating charge debenture on all assets, a general assignment of book debts, a specific assignment of certain properties and a letter of undertaking not to pledge assets of the company for any other loans. The company has not drawn any amounts against this credit facility.

5. Long-term debt

	1993	1992
Revolving term loan, repayable in monthly instalments of $8,333 commencing March 1, 1993, plus interest at a Chartered Bank's prime rate plus 2%, repaid during 1993.	**$ –**	$ 250,000
Less: Portion due within one year	**–**	75,000
	$ –	$ 175,000

6. Share capital

(a) Authorized

Unlimited number of common shares

Unlimited number of preferred shares

(b) Issued

Common Shares	Shares	Stated Value
Balance, December 31, 1991	–	$ –
Issued to previous shareholders of Tokenhouse Yard Holdings Inc.	9,864,515	251,801
Issued to previous shareholders of Zoa Petroleum Ltd.	5,615,949	174,139
Issued for cash pursuant to stock options	90,770	3,540
Balance, December 31, 1992	15,571,234	429,480
Issued for cash pursuant to subscription agreements [note 6(c)]	7,000,000	1,190,000
Reduction in respect of income tax deductions renounced to subscribers	–	(391,284)
	7,000,000	798,716
Balance December 31, 1993	**22,571,234**	1,228,196
Less: Share issuance costs		(31,119)
		$ 1,197,077

(c) During the year, the company entered into subscription agreements whereby the company issued 7,000,000 common shares for total consideration of $1,190,000.

In accordance with the terms of the offering, and pursuant to certain provisions of the Income Tax Act (Canada), the company renounced to the subscribers, for income tax purposes, exploration and development expenditures incurred in the amount of $1,190,000.

(d) During the year, the company entered into stock option agreements with the directors of the company under which 1,557,123 common shares have been reserved for issuance. Effective June 18, 1994, 778,562 options may be exercised at a price of $0.25 per share until expiry on June 18, 1996. Effective June 18, 1995, the remaining options of 778,561 may be exercised at a price of $0.25 per share until expiry on June 18, 1996.

During the year, the company entered into stock option agreements with two executive officers of the company under which 500,000 common shares have been reserved for issuance. Effective November 24, 1994, 165,000 options may be exercised at a price of $0.28 per share until expiry on November 24, 1997. Effective November 24, 1995, an additional 165,000 options may be exercised at a price of $0.28 per share until expiry on November 24, 1997. Effective November 24, 1996, the remaining options of 170,000 may be exercised at a price of $0.28 per share until expiry on November 24, 1997.

(e) By a special resolution of the shareholders of the company dated May 25, 1992, the stated capital of the company was reduced by the amount of the deficit as at December 31, 1991 being $227,629.

7. Income taxes

The company has estimated non-capital losses available which may be applied to reduce taxable income of future years until expiry as follows:

1994	$ 60,300
1995	39,700
1996	16,300
1997	16,100
1998	7,000
2000	56,600
	$ 196,000

No benefit with respect to these losses has been reflected in these financial statements.

8. Gain on sale of marketable securities

The company disposed of a petroleum and natural gas property during 1993 which was purchased in 1992 at a cost of $241,875. The consideration received were shares of a public company valued at $477,375. The gain on the sale of this property is not recognized in the income statement but rather proceeds are credited to petroleum and natural gas properties in accordance with the full cost accounting guideline, as this is not considered a major disposal. The company subsequently disposed of the marketable securities for proceeds of $545,425 resulting in a gain of $68,050.

9. Commitment

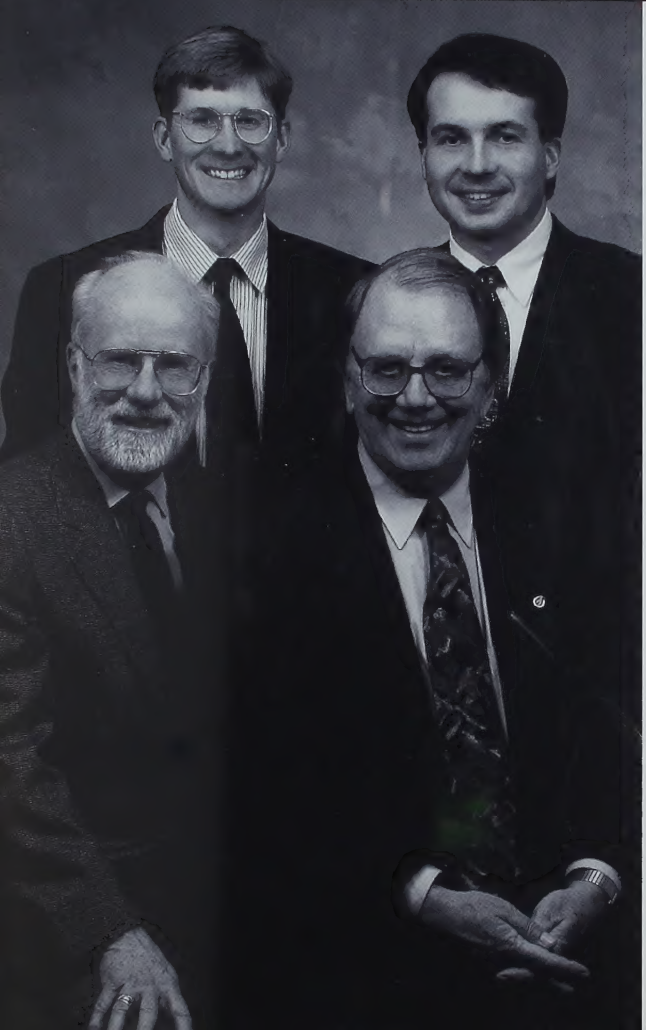
During the year, the company entered into a lease agreement for office space for approximately one year and is committed to an annual payment of $29,400 in 1994.

10. Subsequent events

(a) Subsequent to year end, two executive officers of the company purchased 292,600 common shares for an aggregate cash consideration of $79,002.

(b) On March 8, 1994, the Alberta Stock Exchange conditionally approved an additional listing of 117,400 common shares to be issued at a price of $0.23 per share in settlement of $27,000 owed to directors and executive officers in consideration for services rendered in 1993.

Corporate Information



Directors

Arthur P. Cox, Independent Businessman .... Calgary, Alberta
James K. Fleming, Independent Businessman .... Calgary, Alberta
Michael G. Frisby, Investment Consultant .... Vancouver, British Columbia
Robert J. Sumner, Independent Businessman .... Calgary, Alberta
Stuart Thorn, Investment Consultant .... Boca Raton, Florida
Peter Turner, Investment Consultant .... Toronto, Ontario

Officers

Robert J. Sumner, P. Eng.
President and
Chairman of the Board

Arthur P. Cox,
Vice President,
C.F.O. and Secretary

John N. Ostrom, P. Geol.
Vice President, Exploration

Kenton R. Donaldson, P. Geoph.
Vice President, Exploitation

Abbreviations used in this report

ARTC	Alberta Tax Credit
BOE	Barrel of oil equivalent (10 mcf = 1 BOE)
M	Thousand
Bbl(s)	Barrel(s)
BOPD	Barrels of oil per day
mcf	Thousand cubic feet
Mmcf	Million cubic feet
Bcf	Billion cubic feet
NGL	Natural gas liquids
/d	per day
WTI	West Texas Intermediate

Photo: Standing left to right,
Kenton R. Donaldson, John N. Ostrom
Sitting left to right, Arthur P. Cox,
Robert J. Sumner

Office

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Solicitors

Milner Fenerty
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Listing

Alberta Stock Exchange
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Contributors: Catherine Garden Design, DaSilva Graphics Ltd., Guideline Graphics Electronic Pre-Press, Emerson Clarke Printing Corporation

Newgate

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